

NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, DECEMBER 20, 2012

Chairman Ragazzo called the Commission meeting into session at 10:00 AM in the Lottery Office located at One Lawrence Park Complex, Lawrenceville, New Jersey.

COMMISSION MEMBERS PRESENT

Frank Ragazzo, Chairman
Thomas Tucci, Vice Chairman
Robert Slater, Commissioner
David Ridolfino, Treasurer Designee (By Phone)

Carole Hedinger, Executive Director
John Custodio, Deputy Executive Director
Kellie Pushko, Deputy Attorney General

STAFF

Lou Cleary
Denise Coleman
Duane Daniels
Judy Drucker
Janice Eckstein
Foster Krupa
Jean Lin
Dolores Matos
Steve Palmieri
Mary Ann Rivell
Margaret Square

VISITORS

Joan Mueller, Brushfire

After the Pledge of Allegiance, Chairman Ragazzo announced that the Lottery was in compliance with the provisions of the Open Public Meetings Act, and that adequate notice of the meeting had been provided in the manner prescribed by law.

Chairman Ragazzo requested a motion to approve the minutes of the November 20, 2012 Commission Meeting. Vice Chairman Tucci made the motion, which was seconded by Commissioner Slater. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

DIRECTOR'S REPORT

Executive Director Hedinger stated that compared to last year, total monthly sales for November increased 15.7%. She noted that our year-to-date total sales did increase by 6.6% but would have been over 7% if not for the sales lost due to Hurricane Sandy.

Executive Director Hedinger stated that we are going on our second year of intense marketing for all of our games and it is paying off. She stated that we had a Jersey Cash 5 Raffle promotion during the month of November which was very successful with more than 10 million Jersey Cash 5 tickets being sold and we reached the limit of one million raffle tickets being issued.

Executive Director Hedinger stated that the receipts and deposits for the month of November were \$227.8 million.

Executive Director Hedinger stated that there were 139 Electronic Fund Transfer failures during the month of November.

Executive Director Hedinger stated that the balance in the unclaimed prize reserve accounts are over \$10 million.

Executive Director Hedinger stated that the current balances in the annuity investment accounts total \$295 million.

Executive Director Hedinger stated that the non-core instant game sales during November were over \$22 million and the core game sales were over \$40 million.

Executive Director Hedinger stated that advertising to support the Holiday Instant Games began the end of November and will run through December 25th.

She stated that Lottery Facebook continues to be one of the most popular Facebook pages in all the State Lotteries.

Executive Director Hedinger noted that November had a lot of press coverage due to the high Powerball jackpot. She stated that she interviewed live on Fox Business News and she was also interviewed on ABC World News and on NJTV.

Executive Director Hedinger stated that 7-Eleven has finally decided to allow GTECH to install the Lottery jackpot signs in all 315 stores in New Jersey.

Commissioner Slater asked if they could get a report on the 7-Eleven sales after these signs are installed.

Executive Director Hedinger stated that we will track the before and after sales.

Executive Director Hedinger reported that there were 156 security investigations and 98 random field inspections during the month of November.

Executive Director Hedinger stated that the VIP Club increased its membership with 2,062 new registrations during the month of November. She stated that the VIP Club has an enrollment of 239,545 active members.

Executive Director Hedinger reported that the Validation Staff received over 3,600 claim forms during the month of November and there were 20 social security matches between our files and various agencies for arrearages.

Executive Director Hedinger noted that all drawing and pool closings were held in accordance to established procedures with no abnormalities which included the period of the storm when we ran on generator power for a few days. She stated that we never missed a pool closing and all the drawings took place. She stated that she is very proud of the job that the staff did in getting to Lottery Headquarters when the state was closed and keeping the generator going and keeping all of our systems up and running. She stated that it is essential that if you sell a ticket for a game that you have that drawing for that game.

Executive Director Hedinger stated that concludes the Director's Report.

Chairman Ragazzo asked if there were any comments on the Director's Report.

Commissioner Slater asked about "Rich Media."

There was discussion about internet advertising using Rich Media and Commissioner Slater stated that he would like to see the results of the effectiveness as it relates to the Lottery.

Chairman Ragazzo asked if there were any other comments on the Director's Report and there being none asked for a motion to approve the Director's Report. Vice Chairman Tucci made the motion which was seconded by Commissioner Slater. The motion carried.

NEW BUSINESS

Chairman Ragazzo requested a motion to approve the 2013 Commission Meeting Schedule. Commissioner Slater made the motion which was seconded by Vice Chairman Tucci. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Executive Director Hedinger certified that consideration for each game included, but was not limited to, intended target market, product family, seasonal factors, launch plans, overall market strategy, sales goals, prior experience, current market trends and market place demands.

Chairman Ragazzo requested a motion to approve the instant ticket game rules for "Money Mania." Commissioner Slater made the motion which was seconded by Vice Chairman Tucci. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Chairman Ragazzo requested a motion to approve the instant ticket game rules for "Spring Doubler." Vice Chairman Tucci made the motion which was seconded by Commissioner Slater. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Chairman Ragazzo requested a motion to approve the instant ticket game rules for "Monopoly Millionaire." Commissioner Slater made the motion which was seconded by Vice Chairman Tucci. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Chairman Ragazzo requested a motion to approve the instant ticket game rules for "Mother's Day." Vice Chairman Tucci made the motion which was seconded by Commissioner Slater. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Executive Director Hedinger stated that she has an additional item for "New Business" which is not on the agenda. She requested approval to make an administrative change to the printed rules of the second version of the Win for Life game to reflect the original set of rules to state that the cash value is \$850,000 not \$1 million and conform it to what the ticket states.

Chairman Ragazzo asked if there was a motion to revise the rules. Commissioner Slater made the motion which was seconded by Vice Chairman Tucci. The motion carried.

OTHER BUSINESS

Executive Director Hedinger stated that she spoke to Commissioner D'Anton earlier today and he wanted to express his holiday wishes to everyone. She stated that Commissioner D'Anton has been dealing with Hurricane Sandy issues.

Executive Director Hedinger stated that the evening drawings will be televised on CBS on January 1, 2013.

PUBLIC COMMENT

There was no public comment.

EXECUTIVE SESSION

There was no Executive Session.

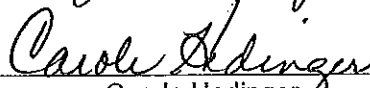
ADJOURNMENT

Chairman Ragazzo asked if there was any other business to be discussed and there being none, asked for a motion to adjourn. Commissioner Slater made the motion, which was seconded by Vice Chairman Tucci. The motion carried.

I HEREBY CERTIFY that the foregoing is a true and correct copy of the minutes of the New Jersey Lottery Commission meeting held on December 20, 2012.

IN WITNESS WHEREOF, I hereby set my hand on

the 17th day of January, 2013.



Carole Hedinger
Executive Director